

Good morning all,

This is my reply to the request by County Board Supervisor and Marathon County Public Library Trustee Gary Beastrom that I better define anticipated costs associated with a potential move to the South Central Library System. I understand, appreciate, and respect any concern for getting the best possible value for each of Marathon County's tax dollars we spend. It is with that in mind I would like to now demonstrate that both in terms of dollar cost, and more importantly value for each dollar spent, a move makes good financial sense.

I say this knowing that there has been a barrage of letters and public comments pointing out that in the writer's estimation a move would be financially foolish; with them I respectfully disagree. I would point out that while my submission to you is tainted by my passion for best using our limited resources, theirs is without exception in their interest in best using the resources of Marathon County to supplement those of our neighboring counties.

The dollar amounts I used are primarily based on the system cost spreadsheets provided earlier in the year to the Task Force by each of the two systems. To this I have added other known historical costs in order to better make an "apples to apples" comparison. My example of this supplemental information would be to add the costs previously paid to WVLS to augment their delivery service to the level that would be provided by SCLS.

When compared, the cost for both Overdrive and deliveries are so comparable they do not reasonably dictate an advantage of either system given that the costs when comparable service levels are considered. This brings us to the costs for the Integrated Library System and the Network fees, and the addition back in of anticipated grants. An additional cost, that of a one-time fee, will be addressed later in the report.

To that end we have:

	<b>SCLS</b>	<b>WVLS</b>
<b>ILS</b>	105,037	74,738
<b>Network</b>	25,768	6,900
<b>Grants</b>	-6,749	-10,000
<b>Total</b>	<b><u>\$124,056</u></b>	<b><u>\$71,638</u></b>
<b>Difference</b>		<b>\$52,418</b>

Rent currently paid by WVLS to MCPL is another significant dollar amount to bring into consideration. That amount is \$42,153.00 annually. While significant, I would point to several factors making it a minor point in the decision at hand. It is important to note that the dollars received are at a reasonable market rate for the rented facilities. We have had several exploratory conversations with the new County Administrator considering augmenting both the Library's and the County's budgets through rental income for the 3<sup>rd</sup> floor and it would be reasonable to think finished office space would be marketable to another City, County, or State agency. My point is that simply because a leasee leaves, the value of the rental property is not diminished. Further, it may well be that the highest value for the area currently rented by WVLS would be to use the square footage for library programs. The area has both elevator and grand staircase access along with not having the load restrictions of the third floor. This may well be the perfect spot for a maker space we have long desired but not had an acceptable location for.

In addition, and this is the hardest for me to write because it could so easily be construed as a plan rather than my reporting of facts. As has been discussed previously, one of the great advantages of SCLS is their taking on the completion of services we now must now complete in-house. The two areas of most significance are the cataloging of books and technology support services. As I try to assert at every juncture, no one is, or has, suggested that the saving of monies on either of these two job categories suggests in any way the laying off of

staff. In fact, it is just the opposite, we would very much like to have our skilled employees out front helping the citizens of Marathon County rather than in a back office doing work that could be done for us by skilled professionals who are also doing the same job for some of the premiere libraries in the state. It is through routine attrition that money would be saved. The cost for the four positions in these two categories is \$269,433 annually, five times the amount of the difference between the two systems costs mentioned earlier.

As is my way, I would point out that we could keep two of the four positions as they are, substantially augmenting our current public facing staff, not rent out the space currently rented by WVLS, and still have another \$12,000.00 to put into collections or prepare for a budgeting downturn.

While my previous words were written as the financial accountant, I would be remiss if I did not present my view as the Business Manager as well. Nothing in the numbers above speak to value in the sense of the quality of the collections which would be quickly and easily available to our patrons. Nor does this speak to the value of having the benefit of working with peers at similar size libraries, or to other advantages which have difficult to quantify values. I would ask that non-financial values be added to the more easily stated dollar amounts presented.

Lastly two more important items. The southwest corner of the county has many hundred residents who now pay substantial dollar amounts to buy access to the Marshfield Public Library for the benefit of having a larger library without a substantial road trip to Wausau. As part of the South Central Library System all services and programs at the Marshfield Public Library would be available for free to residents of Marathon County. This alone would save MCPL just under \$10,000 in annual payments for the half of the user fees we pay for those patrons and it would put another \$10,000 dollars back in the hands of our county residents who now buy library service in a neighboring county. The second and final discussion is that of the one-time ILS migration fee, \$63,675. Current intention is to ask the Marathon County Public Library Foundation for help in paying this one-time expense. It may be that it would need to be paid out of end of year funds, but either way it is a cost of admission rather than an impediment to forward movement.

As is always the case, I would be more than happy to answer any questions and or clarify anything in this paper. I do hope it helps in the making of this important decision.

Respectively,

Tom O'Neill CNAP

MCPL Business Manager